PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

Los Angeles, CA 90013

March 8, 2017

Jimmie Cho, Senior Vice President Gas Operations and System Integrity Southern California Gas Company 555 West 5th Street, GT21C3

GI-2017-01-SCG54-01C

Subject: General Order (G.O.) 112-F Operation and Maintenance Inspection of Southern California Gas Company Facilities in the SJV Transmission Area

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F Operation and Maintenance Inspection of Southern California Gas Company's (SCG) San Joaquin Valley Transmission Area (Inspection Unit) Patrolling and Leakage Survey programs on January 23 - 27, 2017. The inspection included a review of the Inspection Unit's Patrolling, Leakage Survey and Odorant records for calendar years 2013, 2014, 2015, and 2016 and field inspections of pipeline facilities in the Taft and Valencia Transmission Districts. SED staff also reviewed the Inspection Unit's Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED staff identified one probable violation of G.O. 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192. SED also noted one concern as described in the attached "Summary of Inspection Findings".

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by SCG to address the violation and concern noted in the Summary of Inspection Findings.

If you have any questions, please contact Ha Nguyen, at (213) 576-5762.

Sincerely,

Kenneth Bruno Program Manager Gas Safety and Reliability Branch Safety and Enforcement Division

CC: Ha Nguyen, SED/GSRB Matthewson Epuna, SED/GSRB Troy Bauer, Sempra Sophia Ngo-Conn

Summary of Inspection Findings

2016 SCG San Joaquin Valley Transmission Area - Inspection Unit (Taft and Valencia) January 23-27, 2017

I. SED Identified Probable Violation

Title 49 CFR, Part 192 §192.467 External Corrosion control: Electrical Isolation. §192.467(b) External Corrosion control Electrical Isolation states in part:

(b) "One or more insulating devices must be installed where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control."

On January 26, 2017, SED's staff observed during the field inspection that SCG's above ground transmission pipeline 235-234.99 at Valencia District had the following deficiencies that were not identified:

• The pipe supports were not insulated from the carrier pipeline.

II. Concerns and Recommendations

On January 28, 2017, during field inspection of Line 800 (Taft district – Location ID 800-14.57), SED's staff observed line markers near the pipeline facility that were unreadable. SCG's record showed that SCG's personnel inspected this facility on June 06, 2016. The line markers did not become unreadable within six months after then last inspection. SED recommends that SCG evaluate its patrolling performance results and training.